

Appeal No. VA94/1/023

AN BINSE LUACHÁLA
VALUATION TRIBUNAL
AN tACHT LUACHÁLA, 1988
VALUATION ACT, 1988

Queens Hotel

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Licenced Hotel at Map Reference: 16.17.18.19. (incl 46.47.48 Francis Street), Townland:
Abbey Street, Ward: Ennis No: 3 Urban, U.D.: Ennis, Co. Clare
Quantum - Facts on comparison not agreed, appeal adjourned to clarify

B E F O R E
Henry Abbott

S.C. Chairman

Mary Devins

Solicitor

Patrick Riney

F.R.I.C.S. M.I.A.V.I.

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 23RD DAY OF SEPTEMBER, 1994

By Notice of Appeal dated the 26th day of April, 1994 the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of £450 on the above described hereditament.

The grounds of appeal as set out in the Notice of Appeal are that:-

"The Rateable Valuation is excessive, inequitable and bad in law."

The Property:

The property is the Queens Hotel, Ennis which comprises an old long established town centre hotel located on Abbey Street adjacent to two local authority public car parks.

The premises comprises a three storey corner building which has undergone extensive renovations and extensions carried out in two phases. Phase one involved the renovation and upgrading of the "original structure" including remodelling and refurbishment of the ground floor, installation of a lift and upgrading of bedrooms, while phase two involved the construction of "Cruises" pub and restaurant and the addition of an extra 24 bedrooms in a new three storey addition.

For the purposes of this appeal phase one only, that is the original building, is concerned as phase two was not completed at the valuation date. The first phase cost in the region of £275,000.

The accommodation is agreed at 32,000 square feet and comprises:-

<u>Ground Floor</u> -	Foyer, bar, disco/night club, dining room, kitchens, function room and coffee shop,
	.
<u>First Floor</u> -	19 bedrooms (ensuite), residents lounge
<u>Second Floor</u> -	7 bedrooms (ensuite)

Valuation History:

Prior to the most recent revision the R.V. of the premises had stood at £240 fixed at 1979 First Appeal. This was increased to £450 following the 1992 Revision and no change was made at First Appeal.

At 1979 First Appeal the property was described as a poor Grade B hotel comparing badly with other hotels in the town. Following the recent renovations the situation has changed. It is now a three star hotel comparing favourably with other hotels.

The premises appear to have been purchased in 1975 for £75,000 and an expenditure of £100,000 was incurred soon after in extending "ballroom" and adding 13 bedrooms. The most recent additions cost in the region of £275,000.

Written Submissions:

A written submission was received on the 12th August, 1994 from Mr. Frank O'Donnell of Frank O'Donnell and Company, Valuation, Rating and Property Consultants, on behalf of the appellant.

In the written submission Mr. O'Donnell described the premises and said that while the subject was a popular venue in Ennis it was disadvantaged by the lack of car parking facilities, hotel gardens and leisure centre. He said that while the disco at the rear of the hotel was popular it had affected bed occupancy rates as the noise element was a constant problem. He said that the age of the buildings meant that they required constant maintenance and had encountered considerable difficulties with the Fire Officer.

Mr. O'Donnell said that improvements had been carried out during 1992 to comply with regulations laid down by the Fire Officer. He said that the work carried out had included the installation of a lift, widening of corridors, upgrading wiring and some other minor modifications to comply with minimum safety standards. He said that they had resulted in no increase in the gross floor area of the hotel and had in fact reduced the overall number of bedrooms, with the hotel now only accommodating 28 ensuite bedrooms.

Mr. O'Donnell set out his calculation of the net annual value on the:-

- 1) Square Foot Basis
- 2) Turnover Basis
- 3) Profits Method

Details are set out in Appendix 1.

In conclusion Mr. O'Donnell said that it was his opinion, having taken all the methods of calculating net annual value and rateable valuation into consideration, that a fair rateable valuation on the subject property as at November 1988 would be in the order of £280.

Mr. O'Donnell supplied details of a number of comparisons of hotels in the area. Details of which are set out in Appendix 2.

A written submission was received on the 9th August, 1994 from Mr. Patrick Conroy, a District Valuer with 20 years experience in the Valuation Office, on behalf of the respondent.

In the written submission Mr. Conroy described the property, its valuation history and grounds of appeal as set out above. He said that in order to determine a fair N.A.V. and rateable valuation, two tests were applied:-

- 1) Comparative Method
- 2) Profits Method

Details of his calculation of net annual value on these methods are set out in Appendix 3.

In conclusion Mr. Conroy submitted that the valuation lists contained enough evidence of hotel valuations in nearby locations to assist with the estimation of the correct N.A.V.. In his opinion, he said, the figure for N.A.V. was in the region of £112,500 minimum and the correct R.V., therefore, was £450.

Mr. Conroy set out details of five comparisons in the region. A summary of these comparisons is set out below:-

	Grade	Bedrooms	Total Area	£ per sq.ft.	N.A.V.	R.V.
West County Hotel	A (3 Star)	110	62,398	£3.83	£239,250	£ 957
Shannon Shamrock	A (3 Star)	115 & 9 Chalets	76,584	£3.91	£295,541	£1,500
Oakwood Arms	A (3 Star)	10	13,010	£5.36	£69,800	£ 350
Clare Inn	A (3 Star)	121	65,057	£2.84	£184,761	
Old Ground Hotel	A (3 Star)	58			£123,750	
<i>Subject Premises</i>	<i>(3 Star)</i>	<i>26</i>	<i>32,000</i>	<i>£3.50</i>	<i>£112,500</i>	<i>£450</i>

Oral Hearing:

The oral hearing took place in Ennis on 25th August, 1994. Mr. Frank O'Donnell of Frank O'Donnell & Company, Valuers and Consultants, appeared on behalf of the appellant. Mr. Patrick Conroy, Valuer of the Valuation Office, appeared for the respondent.

Mr. O'Donnell gave a synopsis of his submission and emphasised the following points:-

- 1) The Queens Hotel is a small family run Grade B hotel originally established over 10 years ago.
- 2) The hotel, whilst in a central location in the town, was severely hampered by not having any private parking or gardens.
- 3) No leisure centre facilities were available.
- 4) The buildings being so old, have required considerable upgrading to meet Fire Safety Regulations.
- 5) The disco, whilst very popular with some, had an adverse effect on bed occupancy rates.
- 6) Comparisons were discussed in detail with particular mention given to the comparison of the Old Ground Hotel.

Mr. Conroy gave a synopsis of his submission and emphasised the following points:-

- 1) The Queens Hotel was adjacent to two public car parks.
- 2) The disco had contributed to a reasonable increase in Certified Turnover over the last few years.
- 3) Improvements carried out had increased the overall turnover and value of the property therein.

- 4) Mr. Conroy argued that the Old Ground Hotel, which had not been revised for a long time, was a very old building with the main walls partly covered by ivy, covering decay in the structure.

The Tribunal was disposed to consider the "Old Ground Hotel" which is very near the subject premises, to be the most appropriate comparison. In view of this, the hearing was adjourned until Tuesday 30th August, 1994 in Dublin, when a more detailed analysis of it would be submitted by the parties.

The hearing reconvened at 9.00am on Tuesday 30th August, 1994 when both parties submitted an agreed floor area of circa 40,267 square feet for the Old Ground Hotel. This is equivalent to a rate per square foot of £3.07.

Mr. Conroy argued that the difference of £40 per night to £25 per night would be explained by the fact that different hotels go for different markets.

Mr. O'Donnell argued that the Old Ground Hotel was far superior in location and character than the subject premises.

Findings:

The Tribunal finds that the approach of both valuers is clear and explicit. However, apart from the Old Ground Hotel, it is considered that most of the comparisons submitted were of somewhat different buildings and locations.

The Old Ground Hotel comparison was considered a very comparable premises but in terms of car parking and location it was superior to the subject.

Giving due consideration to all the evidence submitted, the Tribunal finds that the rateable valuation of the subject premises ought to be £380 and so determines.